

NEWS RELEASE

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Clay Miller Elected to FirstCity Financial's Board of Directors

Waco, Texas February 15, 2006..... FirstCity Financial Corporation (NASDAQ:FCFC) is pleased to announce the addition of Clay Miller to its board of directors. Mr. Miller is a founding partner at Stone Arch Capital, a private equity fund based in Minneapolis, Minnesota. He has over 14 years of private equity experience, investing in, managing, structuring and executing both public and private M&A and capital market transactions throughout the United States and internationally.

James T. Sartain, President and CEO of FirstCity, said, "We are delighted to welcome Mr. Miller to our board. With his election, FirstCity will have the benefit of a distinguished expert in the capital markets and the valuable insights he brings from a private equity perspective."

Richard E. Bean, Chairman of the Board of FirstCity, echoed Mr. Sartain's sentiments, "I, along with all the FirstCity directors, look forward to working with Clay in guiding the strategic direction of FirstCity going forward."

Prior to forming Stone Arch Capital, Mr. Miller was the Managing Partner of Minneapolis, Minnesota-based Churchill Equity Partners ("CEP"), the private equity arm of Churchill Capital, Inc. While at CEP, he invested in a broad range of industries in traditional leveraged buyout and platform buy-and-build transactions in the middle market and was responsible for managing over \$400 million of committed capital.

Mr. Miller has ties to Texas where he spent several years with SCF Partners, a Houston,-Texas based private equity firm focused on the energy services market. While at SCF Partners, Mr. Miller participated in numerous similar transactions in the energy services industry throughout North America.

Prior to his tenure at SCF Partners, Mr. Miller was a corporate M&A attorney with Shearman & Sterling, structuring , executing and advising on a broad range of acquisitions, divestitures and capital raising transactions in New York and London.

Mr. Miller is a graduate of the University of Michigan (B.A.), Northwestern University School of Law (J.D., cum laude), and Harvard University (M.B.A., with honors).

Mr. Miller and his wife Lisa live in Minneapolis, Minnesota, with their two daughters. He is a frequent speaker on private equity and related topics and active in community volunteer activities.

FirstCity Financial Corporation is a diversified financial services company with operations dedicated to portfolio asset acquisition and resolution with offices in the U.S. and with affiliate organizations in France and Mexico. Its common stock is listed on the NASDAQ National Market System under the symbol "FCFC."